



Calculations for State Emergency Telephone Number Account (SETNA)

The Governor's Office of Emergency Services shall determine annually, on or before October 1 to be effective on January 1 of the following year, a surcharge rate pursuant that it estimates will produce sufficient revenue to fund the current fiscal year's 911 costs.

At least 30 days prior to determining the surcharge pursuant to subdivision (a), the Office of Emergency Services shall prepare a summary of the calculation of the proposed surcharge and make it available to the public, the Legislature, the 911 Advisory Board, and on its Internet Web site. The summary shall contain all of the following:

- The prior year revenues to fund 911 costs, including, but not limited to, revenues from prepaid service.
- Projected expenses and revenues from all sources, including, but not limited to, prepaid service to fund 911 costs.
- The rationale for adjustment to the surcharge.

Calculations are based on numbers published in the **Governors 2015/16 Budget.**

Estimated revenues @ <u>Three-Quarters of One-Percent</u> surcharge rate:	\$96 Million
Estimated reserve for economic uncertainties from previous fiscal year:	\$39.599 Million
Estimated expenditures to operate 9-1-1:	\$116.858 Million
Adjusted expenditures: (estimated expenditures – economic reserve)	
- \$116.858 Million - \$39.599 Million =	\$77.259 Million

2016 Projected total intrastate voice phone service revenues:	
Previous year revenues / .0075 (3/4 of 1%)	
- \$96 Million / .0075 =	\$12.8 Billion

2016 Projected revenues at 1% = Total Revenue * 1%	
- \$12.8 Billion * .01 =	\$128 Million

Projected surcharge needed to meet expenditures:	
Total Adjusted Expenditures / Projected Revenue.	
- \$77.259 Million / \$128 Million =	Six-Tenths of One Percent

The calculated break-even rate above Six-Tenths of One Percent would not account for diminishing revenues due to the decline in intrastate voice revenues experienced in recent years. The Governor's Office of Emergency Services recommends that the rate be kept at the current rate of Three-Quarters of One-Percent to cover projected expenses, and provide an additional economic reserve of \$19 Million to cover unforeseen expenditures or reduction in revenue to the SETNA during the fiscal year.

Recommended Rate: Three-Quarters of One-Percent